AMENDMENTS TO THE SPECIFICATION:

Please amend the heading beginning at page 1, line 8, as follows:

BACKGROUND ~~OF THE INVENTION AND PRIOR ART~~

Please amend the paragraph beginning at page 1, line 9, as follows:

A bond is a written unconditional promise to pay a specific principal sum at a determined future date, and interest at a fixed or determinable rate on fixed dates. Bonds are issued by governments to finance their budget, but also by other entities having a high credibility such as banks and large companies. Thus, a bond is a debt instrument meaning that it is a loan payable to the holder of the bond for some fixed amount known as the bond's face value. ~~attached~~ Attached to the bond is a so-called coupon. Named for its historical similarity to actual coupons you would clip for grocery shopping, the coupon is usually a fixed interest payment made to the bondholders[[']] semi-annually or some other periodicity.

Please amend the paragraph beginning at page 1, line 22, as follows:

In addition to conventional bonds, there also ~~exist~~ exists a market for so-called stripped bonds. A stripped bond is a bond that can be subdivided into a series of zero-coupon bonds. The only difference between a strip bond and a regular bond is that some financial institution removes the coupon payments and sells both the face value and the coupon payments separately. Thus, rather than receiving the face value of the bond plus coupons, a bondholder of a stripped bond will only receive the par value. The profit investors make from purchasing stripped bonds surface through the spread between the discounted purchase price and the maturing value.

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Please amend the paragraph beginning at page 2, line 26, as follows:

However, at present, the bond market and stripped bond market are two separate markets although the traders trading in the two markets are in general the same people. ~~This in turn~~ As a result, ~~in that~~ liquidity on the two markets suffers.

Please amend the paragraph beginning at page 3, line 9, as follows:

It is an additional object of the present invention to provide a trading system, which ~~provide~~ provides a single user interface for trading in the bond market and the stripped bond market.

Please amend the paragraph beginning at page 3, line 21, as follows:

~~Thus, in accordance with the present invention an~~ An automated trading system is provided for matching bids and offers entered into the system by a number of traders connected to the system. The system preferably comprises a server hosting a matching processor and an associated memory forming an orderbook of the system and wherein both fixed-income instruments paying a coupon and fixed-income instruments not paying a coupon (zero-coupon) are traded. The system is additionally designed to derive prices for bonds using information from stripped bonds.

Please delete the paragraph beginning at page 4, line 11, which starts with:

The present invention will...

Please amend the paragraph beginning at page 4, line 14, as follows:

-   Fig. 1 illustrates payments for an imaginary bond;

Please amend the paragraph beginning at page 4, line 15, as follows:

- Figs. 2a – 2f illustrates a number of different imaginary stripped bonds;

Please amend the paragraph beginning at page 4, line 16, as follows:

- Fig. 3 is a view of an automated exchange system for combined trading of bonds and stripped bonds;

Please amend the paragraph beginning at page 4, line 17, as follows:

- Fig. 4 is a flow chart illustrating different steps performed in the system of Fig. 3 in accordance with a first exemplary trading sequence[[.]]; and

Please amend the paragraph beginning at page 4, line 18, as follows:

- Fig. 5 is a flow chart illustrating different steps performed in the system of Fig. 3 in accordance with a second exemplary trading sequence.

Please amend the paragraph beginning at page 5, line 1, as follows:

The bond depicted in Fig. 1 can be converted into a number of stripped bonds or zero-coupon bonds. The last payment for the bond depicted in Fig.1 also pays the face value of that bond. The payments for these stripped bonds are depicted in Figs. 2a – 2f. Since the last payment for the bond depicted in Fig.1 also pays the face value of that bond the result such a conversion will be six stripped bonds as depicted in Fig. 2f and one each for the stripped bonds as depicted in Figs. 2a – 2e.

Please amend the paragraph beginning at page 5, line 7, as follows:

In Fig. 3, a general view of an automated exchange system 100 is shown. The system 100 provides a market for a number of different financial instruments and in particular fixed-income instruments including but not limited to bonds, notes, bills, stripped bonds, etc. The system comprises a number of remote terminals 101 all connected to a central computer server 103 comprising a matching unit 109 including a computer processor, and an order book (memory) 111 associated therewith. The central computer server 103 is loaded with suitable software, such as the CLICK TM software sold by ~~OM~~ OMX Technology AB, Sweden, and forms an automated exchange having all features and functionality of a conventional automated exchange. The remote terminals 101 are designed to send data to and receive data from the central computer server 103. The terminals 101 are further designed to provide an interface for investors, such as broker firms, etc., trading contracts including combination contracts at the automated exchange. The matching of orders input in such a system is performed in the central computer server by the matching unit ~~13~~ 103 designed for this task.

Please amend the paragraph beginning at page 6, line 11, as follows:

If however there is no match between the newly received order in step 405, the process proceeds to a step 407. In the step 407 the process collects sell prices for all stripped bonds required to form the bond the for which buyer has placed an order. Next, in a step 409, the system checks if there exist prices for all required stripped bonds. If there exist prices for all such stripped bonds, the matching process tries to match that combination of stripped bonds against the received bond order. If the match is successful, the procedure proceeds to step 417 and later to step 419, as

described above. If the order still cannot be matched, the procedure proceeds to a step 415 where

the order is stored in the orderbook of the system for matching against future orders received by

the system. The step 415 is of course skipped if the order type is such that it does not allow

storing in an orderbook.

Please amend the paragraphs beginning at page 6, lines 22 and 28, as follows:

If in the step 409, it is found that there exist prices for all required stripped bonds but one, the

matching process proceeds to a step 411. In step 411 the system generates a derived order (bait)

in the stripped bond market for the missing stripped bond at a price such that the combination of

stripped bonds including the derived order matches the order. The matching process then

proceeds to step 415 as described above. If in the step 409 it is found that there exist no prices in

more than one stripped bond the matching process proceeds directly to the step 415.

Please amend the paragraphs beginning at page 7, lines 1, 5, 12, and 16 as follows:

In Fig. 5, another exemplary example trading sequence is depicted. In the example of fig 5

where it is assumed that a trader wants to sell a stripped bond in the system as depicted in Fig. 3.

It is further assumed that the stripped bond is the stripped bond depicted in Fig. 2a. First, in a

step 501, a trader transmits an offer to sell a stripped bond. The order to sell the stripped bond is

then received by the matching system, step 503. Next in a step 505 the matching process tries to

match the sell order with a corresponding buy order. The buy order can be a regular buy order,

but may also be a derived order (bait) as described above in conjunction with Fig. 4 step 411. If

there is no match, the matching process proceeds to a step 507 where the order is placed in the

orderbook of the system, if the order type allows for this. If the matching process finds a match

in step 505 and the matching order is a regular order to buy a stripped bond the process proceeds to a step 509 where a deal is formed between the seller and the buyer. The deal is subsequently reported to the market in a step 511. If the matching process finds a match in step 505 and the matching order is a derived order to buy a stripped bond the process proceeds to a step 513 where a deal is formed. The deal formed in step 513 will be a combination deal involving the selling of a number of stripped bonds and buying a bond. The combined deal is subsequently reported to the market, step 515.

Please amend the paragraph beginning at page 7, line 21, as follows:

The method and system as described herein ~~will hence~~ integrate the trading of bonds and stripped bonds into a common market place where the prices for stripped bonds are directly reflected in the pricing of bonds, thereby creating more liquidity in the two markets. This ~~in turn will eliminate~~ eliminates ~~any~~ arbitrage pricing between the two markets. Furthermore, a more user-friendly interface ~~will be~~ is created.

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